

SENATE BILL 1024  
By Herron

AN ACT to amend Tennessee Code Annotated, Title 71, relative to TennCare.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 71-5-105, is amended by adding at the end of subsection (a)(2) a period "." after the phrase "impartial manner", and adding thereafter the following language:

Additionally, each year that the department, or the state agency empowered to operate, administer, or manage the TennCare Program, contracts with managed care organizations, Title 63 and 68 providers, or any combination or delegation thereof, for the provision of health services to TennCare enrollees, the department shall, at least sixty (60) days prior to contracting with such entities and individuals, consult with and seek input from such managed care organizations' and Title 63 and 68 providers' trade or professional associations on the contractual terms, policies, and provisions to be used in such contracts. The department further shall take into account such associations' comments and suggestions in the drafting of final versions of any such contracts. In the event either the department or any such association cannot fairly resolve any differences as to the terms or conditions of such contract, then the matter shall be referred to the general assembly's TennCare oversight committee for prompt disposition and resolution.

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SECTION 2. Tennessee Code Annotated, Section 71-5-134, is amended by adding the following language and punctuation at the end of the section after the phrase “pursuant to §4-5-209”:

; in no event, however, may such public necessity rulemaking be used unless the department of health and human services or the health care financing administration outlines in writing that such rule changes are necessary to effectuate the waiver, and further states that such rules must be implemented immediately without the benefit of using normal rulemaking procedures, including full notice and comment for affected parties, under Title 4, Chapter 5. It shall be presumed that any changes proposed by the department or the TennCare bureau in payment or contract rates, pharmaceutical formularies, contractual terms and conditions for providers or managed care organizations, or other administrative policies, including enrollee eligibility and provider or hospital credentialing rules, shall be conducted pursuant to the sunshine notice, and comment procedures for ordinary rulemaking under Title 4, Chapter 5, and be reviewed by the TennCare Oversight Committee.

SECTION 3. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.